

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



SW-02849A
Saddlebrooke Utility Company
9532 E. Riggs Rd.
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN05	06
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S-16-07

COMPANY INFORMATION

Company Name (Business Name) <u>Saddlebrooke Utility Company</u>			
Mailing Address <u>9532 E. Riggs Rd.</u>			
<u>San Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)	
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>40,004 S. Ridgeway Blvd.</u>			
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85739</u> (Zip)	
<u>(520) 825-3423</u> Local Office Telephone No. (Include Area Code)	<u>(520) 825-0712</u> Fax No. (Include Area Code)	<u>(520) 932-5892</u> Pager/Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>James Poulos</u>			
		<u>General Manager</u>	
		(Name)	(Title)
<u>9532 E. Riggs Rd.</u> (Street)	<u>San Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Ed Macmeans</u>			
		(Name)	
<u>40,004 S. Ridgeway Blvd.</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85739</u> (Zip)
<u>(520) 825-5515</u> Telephone No. (Include Area Code)	<u>(520) 825-0712</u> Fax No. (Include Area Code)	<u>(520) 932-5892</u> Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: James D Hubbard

(Name)

9532 E. Riggs Rd

(Street)

Sun Lakes

(City)

AZ

(State)

85248

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Marty Aronson

(Name)

One E. Camelback Rd.

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Saddlebrooke UTILITY Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	21,369	Ø	21,369
352	Franchises			
353	Land and Land Rights	125,000	Ø	125,000
354	Structures and Improvements	53,595	26,773	26,822
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	5,598,837	917,835	4,681,002
362	Special Collecting Structures			
363	Services to Customers	1,130,427	133,043	997,384
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,552,060	524,108	1,027,952
380	Treatment and Disposal Equip.	5,735,923	2,101,276	3,634,647
381	Plant Sewers			
382	Outfall Sewer Lines	29,192	15,570	13,622
389	Other Plant and Misc. Equipment	126,603	64,369	62,234
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	14,373,006	3,782,974	10,590,032

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME *Saddlebrooke Utility Company*

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization	21,369	Ø	Ø
352	Franchises			
353	Land and Land Rights	125,000	Ø	Ø
354	Structures and Improvements	53,595	3.40	1,824
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	5,598,837	1.73	96,795
362	Special Collecting Structures			
363	Services to Customers	1,130,427	1.66	18,782
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,552,060	7.12	110,456
380	Treatment and Disposal Equip.	5,735,923	5.01	287,654
381	Plant Sewers			
382	Outfall Sewer Lines	29,192	5.00	1,460
389	Other Plant and Misc. Equipment	126,603	5.79	7,333
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	14,373,006	3.65	524,304

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME

Saddlebrooke Utility Company

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 317,215	\$ 91,745
132	Special Deposits	478,463	479,848
135	Temporary Cash Investments		
141	Customer Accounts Receivable	110,151	120,117
146	Notes/Receivables from Associated Companies	1,146,426	1,583,228
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	301,911	337,795
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 2,354,166	\$ 2,612,733
	FIXED ASSETS		
101	Utility Plant in Service	\$ 13,305,134	\$ 14,373,006
103	Property Held for Future Use		
105	Construction Work in Progress	9,160	9,160
108	Accumulated Depreciation – Utility Plant	(3,258,669)	(3,782,974)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 10,055,625	\$ 10,599,192
	TOTAL ASSETS	\$ 12,409,791	\$ 13,211,925

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

COMPANY NAME *Saddlebrooke Utility Company*

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 59,918	\$ 41,187
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	66,131	71,541
237	Accrued Interest	113,644	108,750
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 239,693	\$ 221,478
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 3,135,000	\$ 3,000,000
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 3,374,693	\$ 3,221,478
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$98,472	\$ 98,472
211	Other Paid in Capital	3,224,839	3,224,839
215	Retained Earnings	5,711,787	6,667,136
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 9,035,098	\$ 9,990,447
	TOTAL LIABILITIES AND CAPITAL	\$12,409,791	\$ 13,211,925

COMPANY NAME Saddlebrooke Utility Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 1,914,960	\$ 2,063,318
522	Measured Revenues	44,897	41,225
536	Other Wastewater Revenues	339,395	283,505
	TOTAL REVENUES	\$ 2,299,252	\$ 2,388,048
	OPERATING EXPENSES		
701	Salaries and Wages	\$ 180,409	\$ 187,618
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	160,229	197,114
716	Fuel for Power Production		
718	Chemicals	11,403	6,324
720	Materials and Supplies	117,493	144,079
731	Contractual Services – Professional	32,623	34,928
735	Contractual Services – Testing	20,364	23,564
736	Contractual Services – Other	46,200	50,820
740	Rents		
750	Transportation Expense		
755	Insurance Expense	13,985	14,739
765	Regulatory Commission Expense		
775	Miscellaneous Expense	36,893	51,255
403	Depreciation Expense	520,130	524,304
408	Taxes Other Than Income		
408.11	Property Taxes	125,523	122,589
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 1,265,252	\$ 1,357,334
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 44,312	\$ 159,464
421	Non-Utility Income	2,795	1,185
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(245,623)	(236,016)
	TOTAL OTHER INCOME/EXPENSE	\$ (198,516)	\$ (75,367)
	NET INCOME/(LOSS)	\$ 835,484	\$ 955,347

COMPANY NAME Saddlebrooke Utility Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	01/18/96			
Source of Loan	IDA Bonds			
ACC Decision No.	59134			
Reason for Loan	Construction			
Dollar Amount Issued	\$ 3,950,000	\$	\$	\$
Amount Outstanding	\$ 3,000,000	\$	\$	\$
Date of Maturity	Various			
Interest Rate	7.25 %	%	%	%
Current Year Interest	\$ 222,394	\$	\$	\$
Current Year Principle	\$ 135,000	\$	\$	\$

COMPANY NAME Saddlebrooke Utility Company

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Package Plant with Primary Clarifier and Tertiary Treatment facilities
DESIGN CAPACITY OF PLANT (Gallons Per Day)	1,240,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
See Attached				

FORCE MAINS

Size	Material	Length (Feet)
4-inch	PVC	1,772
6-inch	PVC	8,046
< 4-inch	PVC	8,002
> 6-inch	PVC	2,797

MANHOLES

Type	Quantity
Standard	942
Drop	11

CLEANOUTS

Quantity
125

Lift Station Facilities

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Construction Yard	2	1	50	1,000
Unit 7	2	3	50	1,020
Unit 9	2	75	140	677
Unit 19	2	3	140	888
Unit 27	2	5	120	380
Unit 32	2	20	500	1,800
Unit 21 North	2	15	131	1,197
Unit 21 South	2	88	275	1,795
Unit 46	2	20	600	1,800

COMPANY NAME Saddlebrooke Utility Company

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4	PVC	6,302
6		
8	PVC	249,024
10	PVC	2,787
12		
15		
18		
21		
24		
30		
3	PVC	760

SERVICES

Size (in inches)	Material	Quantity
4	PVC	4,810
6		
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	Centrifuge
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Ultra Violet
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Sand and Anthracite
STRUCTURES (Buildings, Fences, Etc.)	Comminuter, Influent Pump Station, Package Plant, Blowers, Generator, Equalization Basin, filters, UV Disinfection, Effluent
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Microscope and Vehicles

COMPANY NAME *Saddlebrooke Utility Company*

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
<i>Jan - 06</i>	<i>4,215</i>	<i>14,736,000</i>	<i>590,000</i>
<i>Feb - 06</i>	<i>4,245</i>	<i>12,859,000</i>	<i>588,000</i>
<i>Mar - 06</i>	<i>4,280</i>	<i>15,632,000</i>	<i>580,000</i>
<i>Apr - 06</i>	<i>4,312</i>	<i>13,848,000</i>	<i>739,000</i>
<i>May - 06</i>	<i>4,338</i>	<i>11,271,000</i>	<i>436,000</i>
<i>Jun - 06</i>	<i>4,366</i>	<i>11,565,000</i>	<i>417,000</i>
<i>Jul - 06</i>	<i>4,388</i>	<i>12,360,000</i>	<i>571,000</i>
<i>Aug - 06</i>	<i>4,418</i>	<i>11,707,000</i>	<i>422,000</i>
<i>Sep - 06</i>	<i>4,431</i>	<i>11,652,000</i>	<i>421,000</i>
<i>OCT - 06</i>	<i>4,451</i>	<i>12,964,000</i>	<i>463,000</i>
<i>NOV - 06</i>	<i>4,475</i>	<i>14,059,000</i>	<i>538,000</i>
<i>Dec - 06</i>	<i>4,488</i>	<i>14,785,000</i>	<i>552,000</i>

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	<i>Reuse NPDES</i>
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	<i>100356</i>
Groundwater Permit Number	<i>N/A</i>
ADEQ Aquifer Protection Permit Number	<i>P1000356</i>
ADEQ Reuse Permit Number	<i>R1000356</i>
EPA NPDES Permit Number	<i>AZ0002853</i>

STATISTICAL INFORMATION

Total number of customers 4,488

Total number of gallons treated 160,438,000 gallons

COMPANY NAME Saddlebrooke Utility Company YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 123,870.58

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW	
JPMorgan Chase Bank, N.A. 201 N Central Ave Dept 383 Phoenix, AZ 85038	
91-2/1221	304090
SADDLEBROOKE UTILITY COMPANY	
9532 E Riggs Rd Sun Lakes, AZ 85248-7411	
Pay	
2232361	
Date	Amount
04/07/06	\$****62,664.84
SIXTY TWO THOUSAND SIX HUNDRED SIXTY FOUR AND 84/100 *****	
9531020403 (mult)	
Dollars	
To The Order Of	JIM L TURNBULL - PINAL COUNTY TREASURER PINAL COUNTY TREASURERS OFFICE PO BOX 729 FLORENCE AZ 85232-0729
JIM L TURNBULL	
SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING	
TELLER	
#304090# 1221000245 0519 4342#	
#0006266484#	
ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING.	

[illegible]

<u>Location</u>	<u>Acct #</u>	<u>Check #</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Paid Date</u>	<u>Sequence</u>
CD	5194342	304090	\$62,664.84		4/12/2006	5140486367
<u>Customer Data</u>	<u>Bank #</u>	<u>GL Category</u>	<u>CD VolID/CIMS Key</u>	<u>CD Label</u>		
	601	000000000000	20060428524801	20060428524801		

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW	
JPMorgan Chase Bank, N.A. 201 N Central Ave Dept 383 Phoenix, AZ 85038	
91-2/1221	
304281	
SADDLEBROOKE UTILITY COMPANY	
9532 E Riggs Rd Sun Lakes, AZ 85248-7411	
Pay	
SIXTY ONE THOUSAND TWO HUNDRED FIVE AND 74/100 *****	
Dollars	
To The Order Of JIM L TURNBULL - PINAL COUNTY TREASURER PINAL COUNTY TREASURERS OFFICE PO BOX 729 FLORENCE AZ 85232-0729	
SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING	
11 304 28 11 11 22 1000 24 05 19 43 42 11 11 0006 1205 74 11	
ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING	

THIS CHECK ALSO CONTAINS THE FOLLOWING FEATURES:

1. Absence of the Knight™ Fingerprint Check™ watermark and the U.S. Patent face red casts that this check is laminated with.
2. The back of this check has an additional Knight™ watermark which may be seen by holding the check at an angle.
3. Separate area on the front reads a Knight™ watermark with a Way Line background. The amount, in words, is written on the front of the check.
4. All text is printed in Blue Fluorescent Ink.
5. Micro Print™ on the front of the check.
6. The back of the check is printed with a fluorescent fibre watermark.

AMERICAN CHASE BANK
FORT WORTH, TX 76120
111901331

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FINGERPRINT™

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AMERICAN CHASE BANK
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UNDER BLACKLIGHT

<u>Location</u>	<u>Acct #</u>	<u>Check #</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Paid Date</u>	<u>Sequence</u>
CD	5194342	304281	\$61,205.74		10/12/2006	5240676766
<u>Customer Data</u>	<u>Bank #</u>	<u>GL Category</u>	<u>CD VolID/CIMS Key</u>	<u>CD Label</u>		
	601	000000000000	20061031464101	20061031464101		

COMPANY NAME Saddlebrook Utility Company YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0


Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

5/14/07

DATE

James Poulos

PRINTED NAME

General Manager

TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

APR 27 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Poulos - General Manager</u>
COMPANY NAME	<u>Saddlebrooke Utility Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26

DAY OF



OFFICIAL SEAL
VERONICA CABBAGE
NOTARY PUBLIC - STATE OF ARIZONA
PINAL COUNTY
My Comm. Expires August 1, 2008

MY COMMISSION EXPIRES

8/1/08

COUNTY NAME

Pinal

MONTH

April

2007

Veronica Cabbage

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 27 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Poulos - General Manager</u>
COMPANY NAME	<u>Saddlebrooke Utility Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,392,393

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,183
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

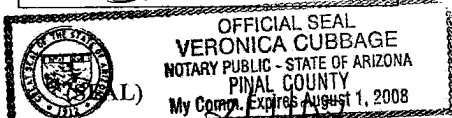
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26

DAY OF



MY COMMISSION EXPIRES 8/1/08

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

COUNTY NAME

Pinal

MONTH

April

2007

Veronica Cubbage

SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>	
NAME (OWNER OR OFFICIAL)	<u>James L. Poulos</u>	TITLE <u>General Manager</u>
COMPANY NAME	<u>Saddlebrooke Utility Company</u>	

RECEIVED
APR 27 2007
AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,199,301

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0

IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

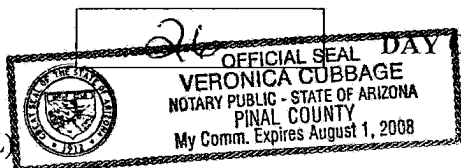
X [Signature]
SIGNATURE OF OWNER OR OFFICIAL
(480) 895-9200
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 26 DAY OF

(SEAL)



MY COMMISSION EXPIRES

8/1/08

NOTARY PUBLIC NAME	<u>Veronica Cubbage</u>	
COUNTY NAME	<u>Pinal</u>	
MONTH	<u>April</u>	<u>2007</u>

X [Signature]
SIGNATURE OF NOTARY PUBLIC